



April 9, 2014

Item No. 3

**AUTHORIZATION TO EXECUTE AN AGREEMENT TO ENTER INTO A
HOUSING ASSISTANCE PAYMENTS CONTRACT FOR 625 W. DIVISION**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners (Board) approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1.) execute an Agreement to enter into a Housing Assistance Payments Contract (AHAP) for 625 W. Division; 2.) execute a Housing Assistance Payments Contract (HAP) for 625 W. Division and 3.) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The proposed contract supports Plan Forward Goal #1: coordinating public and private investments to develop healthy, vibrant communities.

This contract will result in more affordable housing opportunities for families by providing Property Rental Assistance (PRA) for 24 apartments as detailed below.

FUNDING: Housing Choice Voucher Program (HCV)

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
625 W. Division	Near North Side; 27 th Ward; Walter Burnett	625 W Division, LLC	Working Families	24	240

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Estimated Contract	Total Estimated Contract	Application Received
625 W Division	HCV Program	30 Years	AHAP/ HAP Contract	\$614,400 per year	\$24,925,500 (30 years)	December 2013

Proposed Development: 625 W Division

- The property will include new construction of an 18-story elevator building located at 625 W. Division located in the Near North Side community area with 240 units, of which 24 units will be PRA.
- Building amenities include a fitness center, pocket park, business center, community room, rooftop patio, and on-site property management.

Developer Background: Gerding Edlen

- The developer for the project will be Gerding Edlen, a for-profit development firm based in Portland.
- Active in urban markets such as Portland, San Francisco, Los Angeles, and Boston, where they have experience with mixed-income developments.

Financing

- Private Equity: \$44.0M
- Debt: \$29.3 M

Waiting List / Occupancy Process

It is the intent of the owner/manager of 625 W. Division to lease all of the PRA-assisted units to eligible families from the CHA's waiting lists. CHA will refer families from the Public Housing and PRA waiting lists as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting lists will be exhausted prior to utilization of a site-based waiting list.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal procurement laws.

The Chief Housing Officer concurs with the recommendation to execute an AHAP and HAP contract for 625 W. Division.

The CEO/President recommends the approval to execute an AHAP and HAP contract for 625 W. Division.

RESOLUTION NO. 2014-CHA-36

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated April 9, 2014 requesting authorization to execute an Agreement to Enter into a Housing Assistance Payments Contract for 625 W. Division;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute an Agreement to enter into a Housing Assistance Payments (AHAP) Contract for 625 W. Division; 2) execute a Housing Assistance Payments (HAP) Contract for 625 W. Division; and 2) execute all other documents as may be necessary or appropriate to implement the foregoing.



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